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UNITED STATES
BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

In Re:
BCE WEST, L.P. *et al.*,
Debtors.
EID: 38-3196719

Proceedings Under Chapter 11
Case No. B 98-12547-ECF-CGC
through 98-12570-ECF-CGC
(Jointly Administered)

ORDER ESTABLISHING
OVERBID PROCEDURES

Hearing Date: July 23, 1999
Hearing Time: 10:00 a.m.
Hearing Location: 2929 N. Central
Courtroom #6,
10th Floor
Phoenix, AZ

This matter having come before the Court on the Debtors' Motion for Order Establishing Bidding Procedures and Approving Bid Protection, Break-Up Fee and Expense Reimbursement (the "Motion") and pursuant to the Court's Order Establishing Bidding Procedures and Approving Bid Protection, Break-Up Fee and Expense Reimbursement (the "Initial Procedures Order"), the Court finds: (i) that an accelerated effort to locate a buyer of all or substantially all of the assets of

1 the Debtors or an investor in the business of the Debtors to fund a possible plan of reorganization
2 is appropriate under the circumstances of these cases; (ii) that the bidding and other procedures
3 provided herein are necessary and appropriate to attract potential bidders under the unique
4 circumstances of this case and will maximize the value of the estates, and as such, are in the best
5 interests of the estates, the Debtors' creditors, and other parties in interest; and (iii) that adequate
6 and sufficient notice of entry of this order under the circumstances has been given and that good
7 cause exists, therefore it is hereby
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9 **ORDERED**, that:

10 1. Pursuant to the provisions of, and the approved schedule set forth in, the Initial
11 Procedures Order, Debtors, General Electric Capital Corporation ("GE Capital"), as agent for
12 certain prepetition lenders (the "1996 Lease Lenders"), and Bank of America NT&SA ("Bank of
13 America")(together the "Agents"), as loan agent for certain prepetition lenders (the "1996
14 Revolving Lenders," and together with the 1996 Lease Lenders, the "1996 Lenders") are to select
15 a Lead Proposal, if any, on or before July 30, 1999.
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17 2. If a Lead Proposal is selected, the Debtors shall file a plan and disclosure statement
18 on or before August 6, 1999 which shall include the binding written agreement among the Debtors
19 and the bidder submitting the Lead Proposal (the "Plan Sponsor"). Notwithstanding selection of
20 the Plan Sponsor and the filing of the Plan and a disclosure statement, the Debtors may continue
21 to use their best efforts to solicit, negotiate, and procure bids for a sale of all or substantially all of
22 the assets of the Debtors and/or an investment in the Debtors pursuant to a plan, subject in each
23 case to the provisions of this order. The Debtors shall promptly provide copies of this order to
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1 any party who expresses, or has expressed, an interest in making a bid for any of the Debtors'
2 assets, or an investment in the Debtors pursuant to a plan.

3 3. At any time subsequent to the selection of the Lead Proposal any party wishing to
4 submit a competing offer to the Lead Proposal to acquire the Debtors' assets or business or make
5 an investment in the Debtors pursuant to a plan (a "First Overbid") must satisfy each of the
6 following requirements:
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8 (a) deliver to the Debtors, the Debtors' financial advisor, the Agents, and the
9 Official Committee of Unsecured Creditors (the "Committee"), at the
10 addresses set forth below, an offer in the form of a final, executed, binding
11 purchase or investment agreement (the "Competing Contract") that sets forth
12 the purchase price and the terms and conditions of sale or investment.
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14 (b) Any such First Overbid shall be submitted on or before August 27, 1999 at
15 4:00 p.m. (Arizona time).
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17 (c) The terms of a First Overbid and the Competing Contract shall have no
18 conditions to closing other than a material adverse change in the financial
19 condition of the Debtors, shall not be on terms less favorable than the Lead
20 Proposal, and, if such bid is selected as the "Winning Bid" (defined below),
21 shall obligate the bidder to fully consummate the transaction and to close
22 thereon on or after October 15, 1999, and shall not terminate any earlier than
23 November 15, 1999.
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1 (d) The aggregate consideration to the Debtors from any such First Overbid must
2 be at least \$2.0 million more than the aggregate consideration to the Debtors
3 from the Lead Proposal plus any break-up fee which the Debtors would be
4 obligated to pay the Plan Sponsor pursuant to the terms of the Initial
5 Procedures Order. Consideration shall be measured on the basis of present
6 value and such other measures as are customarily used in transactions of these
7 types, and taking into account all relevant factors, including, without
8 limitation, the value of the excluded assets, the timing of closing, and the
9 assumption of liabilities. Any Competing Contract and the First Overbid must
10 provide for a cash payment component of not less than the estimated
11 outstanding principal and interest due with respect to the DIP Facility as of
12 October 15, 1999, and the estimated expenses of administration and priority
13 claims (if any) payable on the effective date of the Debtors' plan.
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16 (e) Each party submitting a First Overbid shall furnish the Debtors, the Agents,
17 the 1995 Lenders' agent and the Committee, upon request, relevant
18 background and financial information (to be kept in confidence by the
19 recipients thereof, subject to further order of the Bankruptcy Court) that will
20 allow such parties to determine the financial qualifications and
21 creditworthiness of such bidder and its ability to consummate the Competing
22 Contract.
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1 4. In the event that any First Overbids are properly and timely made, the terms of
2 such First Overbids and Competing Contracts shall be promptly disclosed to the Plan Sponsor and
3 all other parties submitting First Overbids and Competing Contracts.

4 5. No later than 4 p.m. Arizona time on September 3, 1999, the Plan Sponsor and all
5 parties submitting a First Overbid will be entitled to submit a new bid (a "Responsive Bid"). The
6 terms of Responsive Bids shall promptly be disclosed by the Debtor to the Plan Sponsor and each
7 party submitting a Responsive Bid proponent.

8 6. On September 8th or thereafter authorized representatives of the Plan Sponsor and
9 each party submitting a Responsive Bid may meet with the Debtors to negotiate their respective
10 bids. During the course of these meetings, which representatives of the Agents, the agent for the
11 1995 Lenders and the Committee shall be permitted to attend, the Plan Sponsor and each party
12 submitting a Responsive Bid may make higher and better offers in minimum bid increments of \$1
13 million. The aggregate consideration of a Responsive Bid submitted by the Plan Sponsor, shall
14 include a credit in the amount of the break-up fee that would be payable to the Plan Sponsor in the
15 event the Plan Sponsor is not the successful purchaser.

16 7. By 5:00 p.m. Arizona time on September 10th, the Debtors shall select the final bid
17 that they wish to incorporate into an amended plan (a "Winning Bid"). Thereafter, no further
18 bidding will be permitted and, except as provided in paragraph 9 below, no bids will be
19 considered by the Court. After selection of the Winning Bid a bidder entitled to seek
20 reimbursement of expenses as provided in the Initial Procedures Order may submit its statement
21 of expenses to the Debtors and file an application for approval of such expenses with the Court.
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1 8. On or before September 15th, the Debtors shall file (and serve on parties who have
2 requested notice thereof) an amended Plan and Disclosure Statement (if necessary) which
3 incorporate the Winning Bid

4 9. Should the Debtors file the Plan on or before August 6, 1999, the Court shall hold
5 Disclosure Statement hearings on the Plan on September 7, 1999 at 3:30 p.m. (the "Initial
6 Disclosure Statement Hearing"). If, by September 15th an amended plan and disclosure statement
7 is filed by the Debtors, a hearing to consider the adequacy of such amendment will be held on
8 September 22, 1999 at 10:00 a.m. (the "Supplemental Disclosure Statement Hearing"). At the
9 Initial Disclosure Statement Hearing, the Court shall consider the general adequacy of the
10 disclosure statement for the Plan pursuant to Section 1125 of the Bankruptcy Code, any objections
11 to the disclosure statement, and any related matters such as proposed solicitation procedures. At
12 the Supplemental Disclosure Statement Hearing, the Court shall consider any requested
13 amendment to the disclosure statement as a result of the selection by the Debtors of a Winning
14 Bid pursuant to the terms of this order, procedures for dissemination of any plan and disclosure
15 statement for the Debtors as a result of a Winning Bid, the solicitation of votes with respect to any
16 such plan, any matters not fully and finally resolved at the Initial Disclosure Statement Hearing,
17 and any other pertinent matters with respect to a plan and disclosure statement for the Debtors.
18 Additionally, if the Agents file a plan which either incorporates the Winning Bid or incorporates
19 another bid that had, prior to September 10th, been submitted to the Debtors, the Court shall
20 consider supplements to the Debtors' disclosure statement that are proposed by the Agents (which
21 supplements would, in the Agents' view, permit the solicitation of votes in respect of both the
22 Debtors' and the Agents' plan on the basis of the Debtors' disclosure statement, as amended), and
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1 whether to permit the simultaneous solicitation of votes with respect to both the Debtors' plan and
2 the Agents' plan. At the Supplemental Disclosure Statement Hearing, the Court shall also set a
3 hearing on confirmation and any necessary deadlines with respect to such hearing.

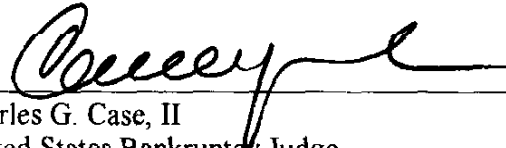
4 10. The Court shall evaluate the adequacy of the amended Disclosure Statement at the
5 Supplemental Disclosure Statement Hearing. Upon approval by the Court of an amended
6 Disclosure Statement, the proponent of the Winning Bid shall remit to the Debtors a \$3,000,000
7 performance deposit in cash or funds available in 24 hours. Such amount shall be deposited in an
8 interest-bearing trust account maintained by counsel for the Debtors, and shall serve as a non-
9 refundable deposit to ensure consummation of the Winning Bid by the proponent upon Plan
10 confirmation.

11 11. From and after the date of entry of this order, the Debtors and their professional
12 advisors shall continue to consult with the Agents, the agent for the 1995 Lenders and the
13 Committee and provide them with information concerning all aspects of the bidding and plan
14 process, including, without limitation, copies of requests for information and expressions of
15 interest by potential bidders.

16 12. Notwithstanding anything to the contrary herein, nothing in this order, the Initial
17 Procedures Order or otherwise shall (i) require the Debtors, the Agents, any 1996 Lender, any
18 1995 Lender or the Committee to select or support any bid, (ii) prohibit any Debtor from filing a
19 plan of reorganization incorporating any bid received, (iii) require the Agents or any 1996 Lender
20 to vote in favor of or against any plan for any Debtor, (iv) limit rights of the Agents, any 1996
21 Lender, any 1995 Lender or the Committee to seek to terminate the Debtors' exclusive period and
22 file its own plan for any Debtor, or (v) except with respect to the break-up fee, expense
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1 reimbursement and bid protection rights granted to the Plan Sponsor and unsuccessful bidders as
2 may be applicable, confer any other third party rights upon potential bidders, or (vi) preclude the
3 Court from hereafter modifying this order or the Initial Procedures Order; however, the bid
4 protections, including but not limited to, the Break-Up Fee and expense reimbursement (which
5 shall remain subject to Court approval) provisions contained in the Initial Procedures Order and
6 this order shall not be reduced or limited by any subsequent order of this Court.
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8 Dated: July 23, 1999


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11 Charles G. Case, II
12 United States Bankruptcy Judge
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LEWIS
AND
ROCA
LLP
LAWYERS

Consented to:

BCE WEST, L.P.,
BOSTON CHICKEN, INC.,
BC BOSTON, L.P.,
BC GOLDENGATE, L.L.C.,
BC GREAT LAKES, L.L.C.,
BC HEARTLAND, L.L.C.,
BC NEW YORK, L.L.C.,
BC REAL ESTATE INVESTMENTS, INC.,
BC SUPERIOR, L.L.C.,
BC TRI-STATES, L.L.C.,
B.C.B.M. SOUTHWEST, L.P.,
BCI ACQUISITION SUB, L.L.C.,
BCI MASSACHUSETTS, INC.,
BCI MAYFAIR, INC.,
BCI R&A, INC.,
BCI SOUTHWEST, INC.,
BCI WEST, INC.,
BUFFALO P&L FOOD SERVICES, INC.,
FINEST FOODSERVICE, L.L.C.,
MAYFAIR PARTNERS, L.P.,
MID-ATLANTIC RESTAURANT SYSTEMS, INC.,
P&L FOOD SERVICES, L.L.C.,
PROGRESSIVE FOOD CONCEPTS, INC., AND
R&A FOOD SERVICES, L.P.,

By:


One of their Attorneys

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